

**TOWN OF HARLEYVILLE MUNICIPAL COURT
HARLEYVILLE, SOUTH CAROLINA**

**State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007**

**TOWN OF HARLEYVILLE MUNICIPAL COURT
HARLEYVILLE, SOUTH CAROLINA**

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State of South Carolina



Office of the State Auditor

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October 10, 2007

The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Amanda Childers, Clerk of Court
Town of Harleyville
Harleyville, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Harleyville Municipal Court System for the period April 1, 2006 through March 31, 2007, was issued by Cline Brandt Kochenower & Co., P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/trb

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

Richard H. Gilbert, Jr., CPA
Deputy State Auditor
Office of the State Auditor
Columbia, South Carolina

We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the Town of Harleyville Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Amanda Childers, Clerk of Court for the Town of Harleyville, is responsible for compliance with the requirements for the Municipal Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Clerk of Court and Municipal Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of April 1, 2006 to March 30, 2007 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period April 1, 2006 – March 31, 2007.
- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2006 – 2007 and with South Carolina Judicial Department training instructions and interpretations.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines' range for the offense code to see if the fine and assessment were within the minimum and maximum range.

Our findings are reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN" in the Accountants' Comments section of this report.

3. PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by Town council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).
- We compared the fiscal year-ended June 30, 2006 audited Victims' Rights Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges in the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- We verified the Victims' Rights Fund reimbursable expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

Our finding is reported under "PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING" in the Accountants' Comments section of this report.

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period April 1, 2006 to March 31, 2007.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).
- We traced amounts recorded in the Town's financial statement Schedule of Fines, Assessments and Surcharges for the year ended June 30, 2006 report related to fines and assessments revenues reporting in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

We found no exceptions as a result of the procedures.

We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended March 31, 2007 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Harleyville Town Council, Town clerk of court, Town treasurer, State Treasurer, State Office of Victim Assistance, Chief Justice and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read "Clint Brantley" followed by a flourish and "E. Co. RA".

May 24, 2007

ACCOUNTANTS' COMMENTS

TOWN OF HARLEYVILLE MUNICIPAL COURT
HARLEYVILLE, SOUTH CAROLINA
State Auditor's Report
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VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

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TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN

ADHERENCE TO JUDICIAL DEPARTMENT FINE GUIDELINES

CONDITION: The Municipal Court Judge was not adhering to the Judicial Department minimum fine guidelines included in legislation. The Judge dismissed the charges of no proof of insurance or no driver's license in possession when the defendants came to court with proof of insurance or drivers license. The fine can be reduced to zero but the judge must still charge the law enforcement surcharge.

CRITERIA: Judicial Department Guidelines for Fines – Minimums and Maximums. These guidelines are obtained from the minimum and maximum fines recorded in the respective legislations.

CAUSE: The Judge is not using the most current fine guidelines.

EFFECT: By not assessing the minimum fines as required in the legislation, the Town is violating the law.

AUDITORS' RECOMMENDATION: We recommend that the Municipal County Judge comply with the fine guidelines.

ACCURACY IN FILED REMITTANCE REPORTS

CONDITION: The Revenue Remittance forms were not accurately filed. Law Enforcement surcharges were not reported on one report during the procedures period. We also noted that conviction surcharges were not accurately reported on the Revenue Remittance form.

CRITERIA: South Carolina Code of Laws Section 14-1-208(B) states the Town Treasurer must "remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer."

CAUSE: The Clerk allocates the fines manually with the help of an Excel spreadsheet and chart. The clerk is unsure of what to do with DUS/DUI partial payments as well as other surcharge amounts.

EFFECT: The Town has not reported the correct amount to the State for law enforcement or conviction surcharges or to victim assistance.

AUDITORS' RECOMMENDATION: The Town should determine the cumulative effect of the errors made and correct them. The Town should submit corrected reports to the State Treasurer.

CHARGING ADDITIONAL FEE TO FINES AS COURT COST

CONDITION: The Town adds a twelve dollar administrative fee and a twenty-five dollar general surcharge, along with the required 3% collection fee to every Scheduled Time Payment.

CRITERIA: Attorney General Opinion dated May 8, 1984, states, "the recovery and allowance of cost rests entirely on statutory provisions...no right to or liability for cost exists in the absence of statutory authorization."

CAUSE: The Town was unaware of the Attorney General's Opinion.

EFFECT: The Town has collected additional court costs in violation of the Attorney General's Opinion.

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AUDITORS' RECOMMENDATION: The Town should comply with State law and stop charging the additional administrative fee and general surcharge. The Town should assess how much of the money collected needs to be re-allocated and sent to the State and to Victims' Assistance.

PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

LACK OF AN EXPENDITURE ALLOCATION PLAN

CONDITION: The Town's Victim Advocate has multiple duties. The only expenditure in the Town's Victim Assistance Fund is for the purchase of a computer. The Town charged 100% of the cost to the Victim Assistance program. Since the Victim Advocate performs duties related to non-victim assistance functions as well, the costs should be allocated to the benefiting departments.

CRITERIA: South Carolina Code of Laws Section 14-1-208(D) states, "The revenue retained by the municipality under subsection (B) must be used for the provision of services for the victims of crime including those required by law."

CAUSE: The Town was unaware they needed an allocation plan.

EFFECT: The Town is charging expenditures to the Victim Assistance program that benefit other departments instead of allocating the cost equitably to all of the benefiting departments.

AUDITORS' RECOMMENDATION: The Town should develop and implement an allocation plan that will fairly allocate the costs of goods and services to all benefiting departments.

Town of Harleyville Municipal Court
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Julian W. Craven, Sr.
Judge

Amanda Childers
Clerk of Court

September 17, 2007

Cline Brandt Kochenower & Co., P.A.

RE: Audit Report – Corrective Action(s) Taken

The Harleyville Municipal Court has taken the following corrective action(s) to maintain compliance with the South Carolina Code of Laws.

1. The municipal court judge uses an updated schedule of fines & fees. All charges that require proof to be provided (i.e. No DL in Possession or No Proof of Insurance) now have the Law Enforcement Surcharge collected.
2. The Clerk remits to the state, the correct portions of the surcharges and pullouts on partial payments using an updated Excel calculation worksheet.
3. The court no longer charges any fees on scheduled time payments. The only charge on an STP is the 3% that is required on partial payments.
4. The town will draft a plan for the allocation of Victims Assistance funds.

The Town of Harleyville and its municipal court regret any errors that were made and will strive to make certain that all procedures and schedules are updated regularly to prevent such errors from occurring again. If there are any further questions or concerns, please contact me at town hall at 843-462-7676.

Respectfully,

Amanda Childers
Clerk of Court